North Central Regional Transit District
Board Meeting
Friday, March 4, 2011

1. CALL TO ORDER:

A regular monthly meeting of the North Central Regional Transit District Board was called to order on the above date by Chair Rosemary Romero at 1:00 p.m. at the Santa Fé County Commission Chambers, 102 Grant Avenue, Santa Fé, New Mexico.

a. Pledge of Allegiance

b. Moment of Silence

c. Roll Call

Roll call indicated the presence of a quorum as follows:

Members Present:	**Elected Members**	**Alternate Designees**
Los Alamos County	Council Michael Wismer	Anne Laurent
Rio Arriba County	Commissioner Barney Trujillo	Mr. Tomás Campos
Taos County	Commissioner Dan Barrone	
Santa Fé County	Commissioner Robert Anaya	Ms. Penny Ellis-Green
Pojoaque Pueblo	Mr. Tim Vigil	
San Ildefonso Pueblo		
Ohkay Owingeh		

Santa Clara Pueblo		
Tesuque Pueblo		
City of Santa Fé	Councilor Rosemary Romero	Ms. Judie Amer
City of Española	Councilor Robert J.Seeds	
Members Absent:		
Los Alamos County		
Taos County		Mr. Jacob Caldwell
Pojoaque Pueblo		Councilman Cameron Martínez
San Ildefonso Pueblo	Councilman Raymond Martínez	Ms. Sandra Maes
Ohkay Owingeh	1st Lt. Gov. Virgil Cata	Ms. Kateri Keevama
Santa Clara Pueblo	Sheriff John Shije	Ms. Mary Lou Quintana
Tesuque Pueblo	Governor Charles Dorame	Vacant
City of Española		Councilor Helen Kane-Salazar

Staff Members Present
Ms. Josette Lucero, Executive Director
Mr. Jack Valencia, Transit Project Manager
Ms. Cynthia Halfar, Executive Assistant
Ms. Kelly Muniz, Financial Manager
Mr. Ivan Guillen, Regional Operations Manager
Ms. Pat López, Financial Analyst
Ms. Linda Trujillo, Service Development Manager
Mr. Mitch Davenport, Facility Manager
Mr. Peter Dwyer, Counsel for NCRTD

Others Present
Mr. Mike Kelley, Santa Fé Trails
Mr. Andrew Jandàček, Santa Fé County
Mr. David Harris, NMDOT
Mr. Greg White, NMDOT
Ms. Ernestina Martínez, NMDOT
Mr. Chris Barela, Santa Fé County
Commissioner Kathy Holian, Santa Fé County
Mr. Mike Davis, Los Alamos County
Ms. Carol Raymond, Transit Advisory Board

Mr. John Whitbeck, Transit Advisory Board
Mr. Colin Messer
Mr. John Bulthuis, City of Santa Fe

d. Introductions

Those present introduced themselves.

e. Public Comments Regarding Transportation Items or Issues

- **Approval of Agenda for March 4, 2011**

Chair Romero requested because Mr. Dwyer had a court appointment soon to rearrange the agenda with Public Comments moved down on the agenda after Item H and Item I moved up after item B.

Councilor Seeds asked Chair Romero if members of the public wanted to comment on items that were on the agenda if she would allow that.

Chair Romero explained that it was normally allowed for the public to comment on anything during the public comment period and wanted to move it later because of Mr. Dwyer could only be present for about ten more minutes.

Councilor Seeds said having comments on what the Board voted on would make no sense after the vote. If they could allow comments prior to the motions it would help. He thought the Board should give members of the public the opportunity to comment before the Board voted.

Chair Romero agreed and would move that right after Item A.

Councilor Seeds moved to approve the agenda as amended. Councilor Wismer seconded the motion and it passed by unanimous voice vote with no abstentions.

2. ACTION ITEMS FOR APPROVAL/DISCUSSION:

A. Consideration of Resolution 2011-02: Rules on Abstentions in Voting

Mr. Dwyer said last time Councilor Seeds had asked for a policy on abstentions to be considered at this meeting. He had correspondence with Ms. Lucero and Chair Romero about policies with other entities and had a proposal to be put on the table for consideration. It could be changed or amended if the Board members wished. He briefly explained the difference from recusals when there was a conflict of interest.

Ms. Amer understood that the policy indicated that a member would only abstain if they had a conflict

of interest. She felt that meant a member would be forced to vote in every other circumstance. She didn't think the Board could force a member to vote. They had the right to abstain at any time.

Secondly, she pointed out that in Robert's Rules of Order it stated that if there was a conflict of interest that member needed to recuse himself and not vote at all. Abstentions counted as a vote with the majority so, in essence, if one had a conflict of interest and abstained, it would still be a vote with the majority but if the member recused then it would not be a vote with the majority. She thought that should be clarified in the rule.

Chair Romero explained that Judie Amer was a city attorney and the alternate board member from the City of Santa Fé.

Councilor Wismer shared those concerns. Robert's Rules of Order strongly implied that the notion of abstaining was not to vote at all and to put in the resolution that it would be considered as a concurrence with the majority would be counter to Robert's Rules and counter to what the Board wanted to do..

He also had some concern with this conflict of interest policy. He offered a substitute. Since the Board didn't have a set of rules for operating a meeting and the question comes up, he submitted a definition that abstentions should be part of a larger body on rules for meetings that the Board would adopt for operating its meetings. He also suggested that to use a 300+ page book of Roberts Rules might not be efficient. He asked that the Board table this item today, defer to Robert's Rules on any abstention today and he would draft a set of rules that would be a compact from Robert's rules for those basic motions and things needed to operate meetings and submit it next month for the Board's review.

Mr. Dwyer commented that Ms. Amer's statement was correct and that needed to be corrected. The other comment was that Councilor Wismer had the expertise to do that task and he trusted Councilor Wismer to bring back a good policy that would be best for the Board.

Councilor Wismer moved to undertake what he promised to do. Commissioner Anaya seconded the motion and it passed by unanimous voice vote.

Chair Romero thanked Councilor Wismer for taking on this task.

Mr. Dwyer excused himself from the meeting at this time.

Commissioner Barrone joined the meeting telephonically at this time.

e. Public Comments Regarding Transportation Items or Issues

Mr. Whitbeck provided some documents handouts. He read his written statement. He was concerned that the only audit of NCRTD available to the public was a 2008 audit. This organization had a fiduciary responsibility to the people of New Mexico to have their audit done in a timely manner. It did not appear that the NCRTD had the capability to do that.

Chair Romero informed Mr. Whitbeck that the statement pertained to agenda item I that the Board would consider later in the meeting.

Mr. Whitbeck said he was not an expert on auditing but had consulted with experts and based on their comments believed the NCRTD's fiduciary responsibilities were not being met. He urged the Board to not do away with the 2008 8614 agreement.

Mr. Colin Messer had two questions to ask. He first asked if the attachments mentioned in the agenda were available for public viewing. He secondly asked if the resolutions would be distributed to the RPA for their March 15th agenda and if those resolutions would be distributed among elected officials of the RPA and the public before the March 15 meeting.

Ms. Carol Raymond said this body today would vote on Item B on the agenda regarding cost allocation and budget consolidation. She said cost allocation was an accounting process which would make accounting for expenses much easier and allow for more transparency in NCRTD financial reporting. There was a complete agreement throughout the district that this accounting procedure should be adopted.

She felt budget consolidation, however, was a very different matter. Notes describing the proceedings of the Finance Subcommittee indicated there was consensus on moving forward with budget consolidation option 6. Option 6 amounted to dissolving the 86/14 agreement between Santa Fé County and NCRTD. She and others had tried to understand what the Board was voting on today. She asked if this body had discussed that option with the governing bodies that would be affected by this action - the City of Santa Fé and Santa Fé County.

She held up an advertisement promoting the passage of the increased GRT for regional transit. It outlined the agreement struck between Santa Fé County and the NCRTD. The tax was passed based on the agreement and asked if it was being changed today.

Chair Romero said these issues were imbedded in their discussions so they would be coming back to respond to them in the agenda.

- **Approval of Board Meeting Minutes, December 3, 2010 and February 11, 2011**

December 3, 2010

Councilor Wismer moved to approve the minutes of the December 3, 2010 meeting as presented. Councilor Seeds seconded the motion. Commissioner Anaya said he was going to abstain because he was still not clear on what abstaining meant.

Mr. Campos suggested they wait until the abstention issue was clarified.

Councilor Wismer gave his opinion. The option for those not present was either to abstain or to vote no.

The Board could also table the consideration of the minutes.

Chair Romero thought they should table the minutes.

Councilor Wismer moved to table approval of the December 3rd minutes. Chair Romero seconded the motion and it passed by unanimous voice vote with no abstentions.

February 11 Minutes

Chair Romero made several changes and provided them to the Stenographer afterward.

Councilor Wismer moved to approve the Minutes of February 11, 2011 as amended. Chair Romero seconded the motion.

Councilor Seeds asked if all of those changes were documented through the minutes to be true.

Chair Romero confirmed the changes with the Stenographer.

Commissioner Anaya wanted to know the vote weighting.

Ms. Halfar listed them as follows:

Los Alamos County - 3
Rio Arriba County - 4
Taos County - 4
Santa Fé County - 5
Pojoaque Pueblo - 1
Santa Clara Pueblo - 1
San Ildefonso Pueblo - 1
Ohkay Owingeh - 1
Tesuque Pueblo - 1
Santa Fé City - 5
Española - 2

The motion to approve the February 11 2011 minutes as amended passed by majority voice vote with Councilor Seeds voting against.

B. Consideration/Approval of Cost Allocation Methodology for FY 2012

- **Narrative for Consolidated Budget and Cost Allocation**

Ms. Lucero said this was a proposed cost allocation methodology for use starting July 1, 2011 and was discussed at the subcommittee meeting where it was decided not to move forward because it needed a

decision made on it first. So this was a request to approve the cost allocation at this meeting.

She asked Ms. Trujillo and Mr. López to address the benefit of a cost allocation plan and to review it for the Board.

Ms. Trujillo referred to the statement regarding cost allocation by expenditures in the packet. She explained that Los Alamos brought it as a nationally recognized allocation method. This method would coincide with how Santa Fé and Los Alamos reported it. It contained all administrative and operating expenses. They were then divided by total miles and total hours and apportioned accordingly. . She asked Mr. López to explain how the finance department extracted the numbers.

Chair Romero noted this was the same presentation that was given at the RPA transit workshop.

Mr. López referred to the form after the narrative. He explained how they derived the information. Capital outlay and other one-time costs were not included in these costs. It did include all administrative and operation costs for providing transit services by the NCRTD. They didn't include expenses other than for NCRTD (no Rail Runner, etc.) He then clarified how the calculations were performed.

Mr. Campos asked if the cost per mile was the same for all routes. Mr. López agreed.

Ms. Trujillo clarified that each month that rate would be different. She referred to the August calculations.

Mr. Campos asked about the differences in each route.

Ms. Trujillo referred to the page on expenses by route. She offered to share the documentation on the method to Mr. Campos.

Mr. López continued with his explanation. The next page showed the breakdown of various costs associated with the transit service. The next column was on fixed costs that didn't vary by operation miles or hours.

Chair Romero said administrative expenses were applicable to this organization which might be different than Santa Fe's. This was the RTD's only function so these were attributable.

Ms. Amer noted that every month the fixed vehicle expenses changed.

Mr. López said in July they had an insurance payment to make. The best indicator was the annual amount and the next best was quarterly.

Mr. Campos said they had a cost for each vehicle because one of them got 6 mpg and another got 20 mpg.

Mr. López agreed and a driver on a certain route might be getting a higher pay than another. This method would lump everything together and then spread it out by route.

Councilor Seeds asked about the vehicle insurance costs.

Mr. López explained that it was an annual payment that was paid in this month.

Councilor Seeds asked how they chose an insurance carrier.

Mr. Valencia explained that when NCRTD transitioned with Rio Arriba County they contracted with New Mexico Self Insurance.

Ms. Trujillo explained that they recommended this because it was out of NTSB and was adopted by Santa Fé and Los Alamos as a standardized allocation method. As they added more routes, it was time-consuming to do the calculation so she wanted this as a standard to use to figure out those costs. Using this standardized method they could develop a track record to apply.

Ms. Lucero said the subcommittee recommended this for approval.

Councilor Wismer asked how those routes with a federal subsidy would be treated.

Mr. López said all operational costs were put in and all revenues lumped together with the exclusion of one-time items.

Councilor Wismer asked if that was acceptable in federal reporting.

Mr. López was not familiar with that but indicated they would have separate reporting to the feds on grants using the same cost allocation.

Councilor Wismer noted the documentation said Option 6 was favored but he was not convinced that option 6 was what they should vote on. He wondered what would be best if they decided not to consolidate.

Ms. Trujillo thought this could stand alone and would be beneficial to the staff and board in knowing what each route cost and what would be billable by a city. It would aid them with a method that in the past had been hard. Many times a board member asked her what a route cost. This would save lots of time in answering.

Councilor Wismer asked if the recommendation was only on the cost allocation method. Ms. Lucero agreed.

Councilor Wismer asked how cost would be determined on a suggested new route.

Ms. Trujillo said she would go to the miles and hours needed for the new route and use the base line cost factor and number of vehicles needed for the new route.

Councilor Wismer asked how this would affect the Rail Runner commitment.

Mr. López said that was excluded. This produced the real cost of their 22 routes.

Councilor Wismer asked if they could have some assurance that this method would comply with the audit requirements.

Chair Romero asked for that question to be asked during audit item. Councilor Wismer agreed.

Mr. Campos asked if this would allow them to know what to charge a rider for the fare if that was needed later on. He said that was a little hard to understand.

Ms. Trujillo clarified that the total number of riders was not in this allocation. If a fare was collected it would be deducted from this. But fares would be less than 1% of total revenue and it would be very costly to manage that revenue. But if they collected a fare like for Chama - the greater the distance, the greater the fare. She was now working on ridership to determine the cost per rider on each route.

Commissioner Barrone clarified that the reason to adopt this was to better serve the district with a better analysis.

Ms. Amer thought the cost per rider would be good information to have.

Commissioner Anaya agreed it made sense to have an analysis of expenditures based on use. But he cautioned that as board members they not devalue the ridership that was not in massive levels. They could run that danger and discount the riders who depended on it. That included the route he had been talking about. With the method in place they could determine that some route in a rural area was not cost effective at all. There were highways built in this state that went to one house. It was the shared costs that he was addressing. The cost allocation made sense but if it was used as a tool to not serve some, it was wrong.

Ms. Trujillo agreed and that was why it was important to ride the routes periodically and that was what she did. She used the El Rito route as an example.

Chair Romero agreed. They looked at routes carefully and shifted some to be more efficient. They might not look efficient from other perspectives but they were being as fair as possible.

Ms. Lucero clarified that the goal was to start with this and bring forth an option for the Board to consider for the FY 12 budget.

Councilor Wismer understood but felt they should not let this cost allocation drive decisions about routes. This was regional transportation services.

Ms. Lucero agreed and noted that was why ridership was not included here. She recommended using a cost allocation method starting July 1, 2011

Commissioner Anaya moved to adopt the cost allocation method presented. Councilor Wismer seconded the motion and it passed by unanimous voice vote with no abstentions.

3. PRESENTATION ITEMS

I. Budget & Expenditure Report and Status of 2009 Audit

- **Regional Transit GRT**

Mr. López said staff submitted a budget that assumed revenues would be less with the economic downturn. He briefly explained the process for disbursement of GRT from TRD to NCRTD. He then reviewed the comparisons of revenues by county. His conclusion was that overall, they would come out about even on actual revenues compared with the budget.

- **Combined P&L Format**

Ms. Muniz said they were tracking well for the year so far and commented on several items in the budget. Capital expense was very low now because construction on the building hadn't started so that would begin to catch up with the budget as the work progressed. The administrative expenses were at 55% for the year which was below the 67% for the budget year to date. They were at 36.8% on the operating budget compared with 67% for the year to date budget so they were well under.

- **Audit Reports**

Ms. Muniz reported that in 2007, the City of Santa Fé was the fiscal agent for NCRTD and they got behind on their audit schedule which meant the NCRTD was consequently behind.

Ms. Muniz explained regarding the audit findings that they had one person doing all of the finances. The 2009 audit had been completed but had not been released by the state auditor yet but had approved it. They waived the five day waiting period so she would released it as soon as it was returned. There were no new findings in 2009. The same findings in 2008 were carried over to 2009.

They were hoping to start on the 2010 audit by April 3 and it should be done around July 31 and then they would be on track for 2011 to go to the audit by December 15.

Chair Romero reminded the Board that the City of Santa Fé was formerly the NCRTD fiscal agent and she asked if it would be appropriate to have Kathryn Raveling (City Finance Director) come to speak about the audit.

Commissioner Anaya wanted to go over them. He had asked to have a copy and then have an ongoing status report at each monthly meeting. He asked that a copy of this report be made an exhibit for the minutes of this meeting. Then as audits came back they could have a monthly update.

Ms. Muniz agreed. She hoped that at the April meeting the audit firm could present it to the Board.

Mr. Campos asked if the audit was unqualified.

Ms. Muniz explained that their FY 09 audit was unqualified. They had a few weaknesses but it didn't identify any material findings. They were given because duties could not be segregated. There was only one staff person to do this who could not cover all the functions required to meet the audit standards. At present, there were three staff members so those duties could be segregated but that happened half way through FY 10 so the findings would still be on that audit.

Chair Romero thanked her for a good job.

C. Statewide Analysis on Expenditures and Ranking of Administrative Costs for the NCRTD

Mr. David Harris (NMDOT) provided a handout of the analysis of expenditures and ranking of administrative costs for the various RTDs in the state.

Ms. Lucero said this comparative analysis was being provided because a member of the public said the RTD had a high administrative cost at the time. That was an old document and Commissioner Anaya thought DOT should be invited to come and share an updated document. She thanked Mr. Harris for bringing it and for being here.

Mr. Harris provided a brief overview. Requests were greater than funds available for public transit so they put the comparison in place for FY 11 funds. Because they didn't have a full year of data they used FY 09 and FY 10 data. He printed out the 5311 funding index using the indicators from the year before.

Ms. Amer said on the chart it looked like all the members of NCRTD were together but some were also listed separately.

Ms. Lucero said Santa Fé and Los Alamos were included in their statistics.

Mr. Harris explained that urban and rural efficiencies were different.

Commissioner Anaya agreed that at first glance it appeared some would have more efficient routes just because of the area served. He asked if distance traveled was a heavy weighting factor.

Mr. Harris said this ranking had a bias toward more efficient systems and more densely populated service areas.

Commissioner Anaya asked regarding administrative costs where this RTD fell with staffing compared with the 5 top entities. He asked if NCRTD was paying that much more than the others.

Mr. Harris said he would have to analyze it.

Commissioner Anaya, noting the comments earlier about rural routes, asked if they should focus on high ridership routes.

Mr. Harris clarified that in the end, this prioritization was only to determine who should get a bigger increase. They didn't use this to cut funding. Another aspect was not clearly delineated - using public funds. The NCRTD also got 5316 funds and could leverage the 5311 funds.

He shared the 5316 miles and 5311 miles.

As far as administrative costs, there was a maximum there and if he were involved at the NCRTD he would use those to leverage the other funding.

Concerning serving a very rural area, as long as ridership was improving, the DOT would continue to provide support as they could.

Commissioner Anaya asked for Mr. Harris to comment on the cost allocation method.

Mr. Harris had no criticism of the method and felt it was somewhat standard. He felt the improvement that would help most was increased riders. He said getting their awards was also a factor to be included.

Ms. Lucero said the NCRTD might be the second highest ridership system in the state once current stats were received.

Chair Romero thanked Mr. Harris for sharing the analysis.

Commissioner Barrone was lost to the phone.

D. Update of The Jim West Regional Transit Center

Ms. Lucero announced that they signed a contract with Stoven Construction on February 22. A meeting was held on March 1st with them. On March 7 would be a notice to proceed with construction and March 14 would anticipate construction fencing around the site.

Councilor Seeds asked about the estimated completion date.

Ms. Lucero said the estimated completion was November 1st.

Mr. Campos asked what the deadline was for spending the stimulus money.

Ms. Lucero said it was the end of August so they would spend that money first.

4. DISCUSSION ITEMS

E. Tribal Subcommittee Report

The report was in the packet. Chair Romero was still setting meetings with individual tribes on the grants. Members were invited to attend the Tribal Subcommittee meetings.

F. Finance/Regional Coordination & Consolidation Subcommittee Report

The report was in packet. Mr. Caldwell was not present to address it.

Ms. Lucero said it was already approved as the first item.

G. Executive Report for February 2011

Ms. Lucero said the report was in the packet and she could answer other questions for Board members afterward.

H. NCRTD Ridership Report for January 2011

Chair Romero said the report was emailed monthly to all members.

Ms. Lucero said they only printed them out quarterly. She reported that ridership did increase last month.

Mr. Dwyer returned to the meeting as this time.

Chair Romero suggested a change to the agenda in order to hear Matters from the Board prior to the executive session.

Councilor Seeds moved to amend the agenda to hear Matters from the Board next. Councilor Wismer seconded the motion and it passed by unanimous voice vote.

6. MATTERS FROM THE BOARD

- **Conflict of Interest Disclosure Form**

Chair Romero asked members to sign their disclosure forms.

- **Succession Plan**

Chair Romero said she invited Mr. Bruce Poster from Southwest Planning and Marketing to the

meeting and reported that he was hired to help with succession plan which was necessary to deal with staff who would retire.

Mr. Poster said he would be presenting findings at the next three board meetings and make recommendations on options and do some training. May would be the meeting for board training and in June they would consider the options.

He explained his background and the services his company provided. He indicated he would be asking for input from staff and board members.

He provided his contact information as 505-989-8500 for phone and email at bruce@southwestplanning.com. He said he looked forward to working with the Board.

Councilor Wismer thanked Ms. Lucero for agreeing to present to the Los Alamos Leadership about regional transit options. That would lead to increased ridership.

Commissioner Trujillo asked that Mr. Campos be the Rio Arriba County representative for the closed session.

Commissioner Anaya thanked Chair Romero for bringing up public concerns before the vote took place and for the update on the audit. He said he was not a complicated person. He said the intent of his questions was to further engage the DOT in the NCRTD work and with other RTDs. He apologized if some of his questions were long.

Chair Romero noted for staff that the agenda for the next meeting need to include items from other agencies including NMDOT and perhaps the RPA presentation or MPO. Ms. Lucero agreed.

Councilor Wismer invited the Board to hold the next meeting in Los Alamos.

Chair Romero thanked him for hosting.

Chair Romero announced the next Finance Subcommittee would be on March 18th in Taos at 9:00. Members were welcome to join by conference call. The Tribal Subcommittee would meet on the third Tuesday at Buffalo Thunder.

5. CLOSED EXECUTIVE SESSION

Pursuant to NMSA 1978, § 10-15-1 (H) (2) to discuss limited personnel matters.

Chair Romero moved to go into closed executive session pursuant to NMSA 1978 § 10-15-1 (H) (2) to discuss limited personnel matters. Councilor Wismer seconded the motion and it passed by unanimous roll call vote with Los Alamos County, Rio Arriba County, Santa Fé County, City of Santa Fé and City of Española voting in favor and none voting against. There were no abstentions.

The Board went into closed executive session at 3:29 p.m.

When the Board completed the executive session, the meeting was adjourned. During the executive session no actions were taken and the only matters discussed were limited personnel matters pursuant to NMSA 1978, § 10-15-1 (H) (2).

Approved by:

Rosemary Romero, Chair

Attest:

Michael Wismer, Secretary of the Board

Submitted by:

Carl Boaz, Stenographer